EXHIBIT __ (EL-1)

FitchRatings

Fitch Downgrades SCANA to 'BB'/SCE&G to 'BB+'; Maintains Rating Watch Evolving

Fitch Ratings-New York-08 August 2018: Fitch Ratings has downgraded the long-term Issuer Default Ratings (IDRs) of South Carolina Electric and Gas Co (SCE&G) and its parent SCANA Corp. (SCANA) by one notch to 'BB+' and 'BB', respectively. Fitch also downgraded the ratings of Public Service Company of North Carolina (PSNC) by one notch, to 'BB+', given the rating linkage with its parent, SCANA. Concurrently, the short-term IDRs of SCE&G and PSNC were downgraded to 'B' from 'F3' while the short-term IDR of SCANA was maintained at 'B'. The downgrades follow the absence of injunctive relief blocking the recently enacted 14.8% electric rate cut. While the company is likely to appeal the Aug. 6, 2018 order from the U.S. District Court, the rate cut will be implemented with SCE&G's August billing cycle which began on Aug. 7, 2018. As such, SCE&G will collect 14.8% less electric revenue on an ongoing basis until the South Carolina Public Service Commission (PSC) issues an order in a multi-docketed proceeding, which is expected by Dec. 21, 2018. Additionally, SCE&G will credit customers on the August bills for the rate cut retroactive to April 1, 2018. The rate cut was ordered by the PSC to comply with Act 258, which resulted from the passage of HB4375. As per the legislation, the new rate is considered an "experimental rate" until the PSC issues a final order.

If allowed to stand, Fitch considers the magnitude of the cut to be detrimental to SCE&G's and SCG's credit metrics, even after consideration of SCG's 80% reduction of the common dividend. Despite the legislature's characterization of the new rate as "temporary," Fitch is concerned that the expected December order could be of the same magnitude. If the PSC issues an order in December 2018 with a permanent cut of a similar magnitude, additional downgrades may be warranted. If the 14.8% rate cut were to be permanent, Fitch expects SCG's Total Adjusted Debt/EBITDAR to average around 6x over the next three years and SCE&G's to average around 5.7x, both above Fitch's previously stated downgrade thresholds of 5.5x and 5.0x, respectively.

Fitch also notes important changes to South Carolina utility regulation contained in HB4375 that could result in the continuation of SCG's adversarial regulatory relationship. Fitch acknowledges the existence of additional state and federal investigations into various aspects of the terminated nuclear project, but believes that at this time none have reached a level to have rating implications.

Fitch's Rating Watch Evolving also considers the potential positive implications of the proposed merger between SCG and Dominion Energy (DEI, BBB+/Stable). If the merger were to be consummated as originally envisioned, Fitch expects a stabilization of SCG's and SCE&G's credit metrics, albeit at a lower level, if the 14.8% rate cut is upheld. Given the animosity exhibited by the interventionist state legislature, it is not clear if there will be support of DEI's proposed regulatory solution. An order is expected in DEI's proposal by Dec. 21, 2018 as part of the aforementioned multi-docketed proceeding. SCG shareholders approved the merger on the DEI merger on July 31, 2018.

KEY RATING DRIVERS

Adverse Regulatory Environment: The ratings reflect the sharp deterioration in the legislative and regulatory environment in South Carolina since abandonment of the new nuclear project in July 2016. In addition to HB4375's legislatively mandated 14.8% rate cut, changes to definitions and statutory components of the state's utility regulation are likely to result in diminished regulatory support, in Fitch's opinion. Among such items are an expansive definition of prudence, removal of the mandate that the Office or Regulatory Staff (ORS) must consider preservation of a utility's financial integrity, and granting the ORS subpoena powers. A second bill (SB954) passed by the Legislature orders the PSC to deviate from the statutory six-month limit on rate proceedings and prohibits an order in the multi-docketed proceeding before Nov. 1, 2018. SCG has filed a lawsuit in federal court alleging that HB4375 and SB954 constitute an unlawful taking of private property and violate due process, among other issues. The company failed to garner injunctive relief to stay the immediate implementation of the two laws and the accompanying rate cut.

Financial Policy and Capital Structure: Management's financial policy, including targeted leverage and allocation of capital, will be key rating drivers going forward. The company recently cut its dividend by 80%, preserving approximately $275 million in cash annually. Nonetheless, if the recently ordered 14.8% rate reduction where to be made permanent, there would be a significant effect on SCG and SCE&G's credit metrics. Fitch expects SCG's total adjusted debt/EBITDAR to average around 6.0x over the next three years and SCE&G's to average around 5.7x, both above Fitch's previously stated downgrade thresholds of 5.5x and 5.0x, respectively.
Acquisition by DEI: The acquisition by DEI, as currently proposed, would enhance SCG's credit quality as it would bring SCG into the fold of a larger and better capitalized entity. If the merger were to be consummated as originally envisioned, Fitch expects a stabilization of SCG's and SCE&G's credit metrics and would consider an upgrade. An order is expected in DEI's proposal by Dec. 21, 2018 as part of the aforementioned multi-docketed proceeding. SCG shareholders approved the merger with the DEI on July 31, 2018.

Parent/Subsidiary Rating Linkage: Fitch focuses on operational ties between SCG, SCE&G and PSNC in assessing the rating linkage between them, in accordance with its criteria for subsidiaries with stronger credit profiles than their parents. Fitch assesses the operational ties as strong given the shared management and centralized treasury operations. In addition, SCE&G generates the majority of SCG's earnings while PSNC relies on equity infusions from SCG to implement its expansion program. As a result, Fitch currently rates SCE&G and PSNC one-notch above SCG.

DERIVATION SUMMARY

SCG, as a stand-alone entity with the current nuclear recovery uncertainty, is weakly positioned compared with IPALCO Enterprises, Inc.'s (BB+/Positive), given the more constructive and predictable regulatory environment of IPALCO's subsidiary, Indianapolis Power and Light Company (BBB-/Positive). IPALCO's greater earnings and cash flow visibility more than offset its higher proportion of parent-level debt. Historically, SCG has had a slightly more favorable business profile as compared to DPL, Inc. (BB/Positive) given SCG's predominant regulated operations. However, DPL is in the process of divesting the generation assets owned by AES Ohio Generation LLC, a non-regulated subsidiary. Additionally, Ohio's regulatory construct, while still in transition, is more constructive than what is playing out in South Carolina. In addition, Ohio regulators continue to demonstrate a willingness to take actions to protect the financial integrity of its utilities.

SCE&G is a vertically integrated regulated utility company operating exclusively in South Carolina. SCE&G's credit profile is constrained by the heightened regulatory and legislative risk related to the abandonment of its nuclear expansion project. SCE&G has a smaller scale and balance sheet than Georgia Power Company (A-/Negative), which undertook similar new nuclear construction risk. SCE&G and Dayton Power & Light Company (DP&L) (BBB-/Positive) both operate regulated assets with evolving regulatory constructs.

KEY ASSUMPTIONS

SCG and SCE&G
--14.8% rate reduction through the forecast period attributable to costs currently being collected for VC Summer Nuclear;
--Additional new nuclear development (NND) impairment of $1.67 billion;
--Columbia Energy Center recovered through rates in 2021;
--Reduction of the $2.45 annual dividend by 80% ($344 million to $70 million).

PSNC
--Volume growth around 2.0% in the intermediate term;
--Approximately $700 million of capex through 2020;
--Equity advances to maintain 40/60 debt/equity capital structure.

RATING SENSITIVITIES

SCG
Developments that May, Individually or Collectively, Lead to Positive Rating Action
The ratings could be upgraded if the merger into DEI closes as proposed and the issues surrounding the abandoned nuclear plants are resolved in a credit supportive manner. Ratings could be upgraded if recovery mechanisms for the stranded nuclear assets and management's financial policy result in SCG's adjusted debt/EBITDAR stabilizing at/or below 4.5x.

Developments that May, Individually or Collectively, Lead to Negative Rating Action
--The merger with DEI fails to close;
--Availability under committed liquidity facilities and anticipated internally generated cash flows falling short of expected obligations due in the next 12 months-18 months;
--Unfavorable terms for the recovery of stranded costs and/or material unrecoverable costs;
--Adjusted debt/EBITDAR consistently and materially exceeding 5.5x;
--Ring-fencing provisions that restrict cash inflows from SCE&G to SCG.

SCE&G
Developments that May, Individually or Collectively, Lead to Positive Rating Action
The ratings could be upgraded if the merger into DEI and resolution of new nuclear issues result in SCE&G's adjusted debt/EBITDAR stabilizing around 3.5x-4.0x.

Developments that May, Individually or Collectively, Lead to Negative Rating Action
Future developments that may, individually or collectively, lead to a negative rating action include:
--The merger with DEI fails to close;
--Availability under committed liquidity facilities and anticipated internally generated cash flows falling short of expected obligations due in the next 12 months-18 months.
--Unfavorable terms for the recovery of stranded costs, and/or material unrecoverable costs;
--Continued deterioration in the regulatory and legislative environment in South Carolina;
--Adjusted debt/EBITDAR consistently and materially exceeding 5.0x.

PSNC
Developments that May, Individually or Collectively, Lead to Positive Rating Action
Positive rating action is predicated upon a rating upgrade of SCG given PSNC's rating linkage with its parent. Fitch could widen the rating differential between the IDRs of PSNC and SCG if strong ring-fencing provisions were enacted.

Developments that May, Individually or Collectively, Lead to Negative Rating Action
--Given the strength of the credit metrics for the current ratings, a downgrade of parent SCG below the current 'BB+' represents the greatest likelihood of a PSNC downgrade. While less likely given the headroom, a downgrade could also occur if adjusted debt/EBITDAR exceeds 5.5x on a sustained basis.

LIQUIDITY

As of June 30, 2018, SCG had about $337.6 million available under its $400 million five-year credit agreement (expiring in December 2020) while SCE&G (inclusive of South Carolina Fuel Co.'s facilities) had $842.2 million available under $1.4 billion of consolidated committed credit agreements ($1.2 billion maturing in December 2020 and $200 million maturing in December 2018). PSNC had about $169.1 million available under its $200 million credit agreement. Additionally, SCG held $238 million cash and cash equivalents as of June 30, 2018, of which $222 million was at SCE&G. As of June 30, 2018, outstanding CP balances are as follows: SCG--$29 million, SCE&G--$457.5 million, and PSNC--$30.9 million. SCE&G has two first mortgage bond maturities in November 2018 totalling $550 million. Not giving effect to potential refinancing or retirement of the November maturities as of Dec. 31, 2017, the company has the ability to issue approximately $1 billion in additional mortgage debt. If SCE&G is not able to refinance the bonds in the corporate market, Fitch expects the company to be able to access its credit lines.

FULL LIST OF RATING ACTIONS

Fitch has downgraded the following ratings and maintained the Rating Watch Evolving:
SCANA Corporation
--Long-term IDR to 'BB' from 'BB+';
--Senior unsecured debt to 'BB'/'RR4' from 'BB+';

South Carolina Electric & Gas Co.
--Long-term IDR to 'BB+' from 'BBB-';
--First mortgage bonds to 'BBB'/'RR1' from 'BBB+';
--Senior unsecured debt to 'BBB-'/'RR2' from 'BBB';
--Short-term IDR to 'B' from 'F3';
--Commercial paper to 'B' from 'F3'.

Public Service Company of North Carolina, Inc.
--Long-term IDR to 'BB+' from 'BBB-';
--Senior unsecured debt to 'BBB-'/'RR2' from 'BBB';
--Short-term IDR to 'B' from 'F3';
--Commercial paper to 'B' from 'F3'.

South Carolina Fuel Company
--Commercial paper to 'B' from 'F3'.

Fitch has maintained the following ratings on Rating Watch Evolving:
SCANA Corporation
--Short-term IDR of 'B';
--Commercial paper of 'B'.

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Summary of Financial Statement Adjustments - No financial statement adjustments were made that were material to the rating rationale outlined above.

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Additional information is available on www.fitchratings.com

Applicable Criteria

Corporate Rating Criteria (pub. 23 Mar 2018) (https://www.fitchratings.com/site/re/10023785)
Corporates Notching and Recovery Ratings Criteria (pub. 23 Mar 2018) (https://www.fitchratings.com/site/re/10024585)
Parent and Subsidiary Rating Linkage (pub. 16 Jul 2018) (https://www.fitchratings.com/site/re/10036366)

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UNSOLICITED ISSUERS

Entity/Security	ISIN/CUSIP/COUPON RATE	Rating Type	Solicitation Status
South Carolina Fuel Company USCP 4(2)/ 144A D	-	Short Term Rating	Unsolicited

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